

This letter directs taxpayers to the Illinois Department of Revenue's administrative rules on occasional sales and bulk sales as well as to sunshine letters on these subjects. See 86 Ill. Adm. Code 130.110 and 86 Ill. Adm. 130.1701. (This is a GIL.)

June 20, 2005

Dear Xxxxx:

This letter is in response to your letter dated May 26, 2005, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I called the Illinois Department of Revenue today for direction on a sales tax issue. During my conversation, I asked for some backup documentation for my records. The revenue agent said that I would have to write in, detailing the issue, and requesting a written response in return.

Issue: A person owns 100% of an Illinois corporation. The corporation has a number of pieces of equipment. For liability purposes, the person wants to start a new company and wants to transfer the equipment from the existing corporation to the new company.

Is this transfer subject to or is it exempt (i.e. bulk transfer of assets) from sales/use tax?

Can you review the issue and send me the department's position on this proposed transactions?

If you need any additional information, please call or write.

Thanking you in advance for your assistance.

## DEPARTMENT'S RESPONSE:

You have asked about information regarding isolated or occasional sales. Please see the Department's rules on our website regarding occasional sales. 86 Ill. Adm. Code 130.110. You may also want to review some of the letter rulings provided on our website regarding this topic, such as ST 03-0058 GIL (April 7, 2003).

The Department also has administrative rules concerning "bulk sales." Please see the Illinois Department of Revenue's administrative rule concerning bulk sales at 86 Il. Admin. Code 130.1701. In addition, you may review previous letters issued by the Department on this subject. On the Department's website, under "Legal Research", "Sunshine Letters", "Sales Tax", "Annual Index", for each year listed, look under the subject heading "Bulk Sales".

I hope this information is helpful. If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Sincerely,

Samuel J. Moore  
Associate Counsel

SJM:msk